

The Honorable Jeffrey B. Clark  
Assistant Attorney General  
United States Department of Justice  
Environment and Natural Resources Division  
601 D. Street, N.W.  
Room 2121  
Washington, D.C. 20004

Re: Clean Air Act Multi-Regional Referral  
Williams Mobile Bay Producer Services, LLC

Dear Mr. Clark:

By this letter, the United States Environmental Protection Agency, Region 4, formally requests that the United States Department of Justice (DOJ) include a natural gas processing facility owned by Williams Mobile Bay Producers Services, LLC, a wholly owned subsidiary of Williams Companies, Inc. (Williams), located in Coden, Alabama, into a global settlement currently being negotiated with Williams on behalf of Regions 3, 5, 6, 7 and 8. The States of Alabama, Colorado, and Wyoming, and the Commonwealth of West Virginia have agreed to join the settlement.

On March 14, 2016, Region 3 made a direct referral requesting DOJ to take action for violations at the Williams facility located in Moundsville, West Virginia. The referral alleged violations of section 111 of the Clean Air Act (CAA), 42 U.S.C. § 7411, (New Source Performance Standards) (NSPS), and its implementing regulations at 40 C.F.R. Part 60 Subpart OOOO (Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011, and on or before September 18, 2015). The referral primarily alleged violations of the leak detection and repair (LDAR) requirements. Region 3 later amended the referral to include a second facility located in Moundsville, West Virginia.

On October 13, 2017, Region 8 made a direct referral requesting DOJ action for violations of the CAA, 42 U.S.C. § 7411 (NSPS), and Section 112 of the CAA, 42 U.S.C. § 7412, at the Ignacio and Parachute Creek Gas Plants in Colorado, operated by Williams Four Corners LLC and Bargath LLC, wholly owned subsidiaries of Williams. The Region 8 referral primarily alleged violations of the LDAR requirements at the implementing regulations in 40 C.F.R. Part 60, Subparts KKK (Standards of Performance for Equipment Leaks of Volatile Organic Compound (VOC) From Onshore Natural Gas Processing Plants for Which Construction, Reconstruction, and Modification Commenced After January 20, 1984, and on or Before August 23, 2011) and NSPS Subpart OOOO.

## **I. Background on Williams Companies, Inc.**

Williams Mobile Bay Producers Services, LLC, the owner and operator of the gas processing facility in Corden, Alabama was incorporated in 2000, and is headquartered in Houston, Texas. It is a wholly owned subsidiary of Williams Companies, Inc. (Williams), an energy infrastructure company with operations primarily located in the United States. Williams was founded in 1908, originally incorporated in the state of Nevada in 1949, and reincorporated in Delaware in 1987. In August 2018, Williams merged with Williams Partners, LP. Williams employs more than 5,000 people, and is headquartered in Tulsa, Oklahoma. Williams owns and operates midstream gathering and processing facilities, and interstate natural gas pipelines. Substantially all of Williams operations are conducted through its subsidiaries. Williams is a publicly held company that trades on the New York Stock Exchange.

## **II. Williams' Region 4 Facility**

The Williams natural gas processing facility in Region 4 is located at 6000 Rock Road, Coden, Alabama, 36523 (Facility). The Facility operates two process trains with the capacity to produce about 690 million standard cubic feet per day of natural gas, and about 30,000 barrels per day (bpd) of natural gas liquids, and The Facility also processes some amount of natural gasoline as a byproduct. The Facility receives gas from both onshore and offshore sources.

The Facility's natural gas processing begins with placing the raw gas ~~pass~~ through slug catchers to remove the liquid hydrocarbon (condensate) and water from the gas stream. The condensate is sent to the condensate stabilizer area, and the water is directed to a closed drain system. The gas stream exiting the slug catchers is sent to the dehydration unit ~~to remove remaining water~~. After leaving the dehydration unit, the gas is cooled to condense out the natural gas liquids. The gas is recompressed and sent to the sales pipeline. The natural gas liquids are then sent to an amine ~~treatment system~~ ~~contactor~~ to remove the carbon dioxide and sulfur compounds, and ~~to the amine treating system and thereafter to the~~ sales pipeline. The amine solution is sent to the amine regeneration tower where the impurities are removed from the amine solution, and then recycled in the amine contactor. The gases from the regeneration tower are sent to a thermal oxidizer, an air pollution control device that reduces emissions of ~~volatile organic compounds (VOCs)~~ and hazardous air pollutants.

## **III. EPA Region 4 Investigation of the Williams Facility**

On April 17-19, 2018, representatives from EPA Regions 3, 4 and 5 and the Alabama Department of Environmental Management (ADEM) conducted an on-site evaluation (Inspection) at the Williams facility located in Coden, Alabama. At the time of the Inspection, Williams' LDAR contractor, Encos Environmental and Coastal Services was also present. During the Inspection, the EPA inspection team used an infrared camera, ~~a~~ toxic vapor analyzers (TVA), and four-gas personal safety monitors to evaluate components in the various process units at the Facility. Monitoring was conducted in the condensate stabilization, inlet and gathering, and natural gas liquid dehydration process units; and natural gas liquid extraction trains 1 and 2. An electronic copy of the Facility's LDAR database for the time period from April 2011 through April 18, 2018 was obtained while the EPA was onsite. Based on the information collected during the Inspection, and a review of the Facility's LDAR electronic database and semi-annual reports, Region 4 identified violations of the regulations at 40 C.F.R. Part 60, Subparts OOOOa and KKK, similar to those alleged in the referrals from Region's 3 and 8. The specific details about the alleged LDAR related violations are discussed below in Section IV.

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During the Inspection, the EPA held a conference call with representatives from the Facility, and Williams' headquarters to discuss NSPS OOOOa applicability at the Facility resulting from the ongoing expansion project. During the Inspection, the EPA requested that Williams provide documentation related to the project. In an email dated May 4, 2018, the EPA followed up and again requested that Williams provide the requested information concerning the project. ~~In an email dated May 25, 2018, Williams provided the information including an electronic copy of the Facility's LDAR database for the time period from April 2011 through April 18, 2018.~~

#### IV. Violations

The following section summarizes the legal and factual basis for alleged violations at the Williams Facility.

##### A. Claim 1: Failure to Properly Conduct EPA Method 21 to Monitor Components in Violation of 40 C.F.R. Part 60 Subpart KKK

Based on Region 4's review and evaluation of the Williams Facility electronic LDAR database, it was determined that Williams failed to properly conduct EPA Method 21 testing procedures to monitor at least 1,641 components, between October 13, 2014 and October 15, 2015.

##### *Applicability of NSPS Subpart KKK*

On June 24, 1985, the EPA promulgated "Standards of Performance for New Stationary Sources; Equipment Leaks of VOC From Onshore Natural Gas Processing Plants." 50 Fed. Reg. 26, 122. Those standards are codified at 40 C.F.R. Part 60, Subpart KKK, and apply to natural gas plants for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. Those standards by reference, require compliance with several provisions at 40 C.F.R. Part 60, Subpart VV.<sup>1</sup>

The Williams Facility is subject to Subpart KKK because the it meets the definition of a "natural gas processing plant" that is engaged in the extraction of natural gas liquids from field gas as defined in 40 C.F.R. § 60.631. The Facility processes about 690 million standard cubic feet per day of natural gas, about 30,000 bpd of natural gas liquids and some amounts of natural gasoline is produced as a byproduct. Further, the Facility has identified six process units: Inlet Gather and Separation; Condensate Stabilization; Gas Dehydration; NGL Extraction; NGL Treatment; Closed Vent System; Fuel Auxiliary system and Utility System process units, for which construction, reconstruction, or modification commenced after January 20, 1984 and on or before August 23, 2011. In addition, the above-referenced process units are subject to the requirements of 40 C.F.R. Part 60, Subpart KKK, in the Facility's current title V operating permit number 503-806 issued on October 5, 2017.

##### *Relevant Legal Requirements:*

In accordance with 40 C.F.R. § 60.632(d), an owner or operator is required to comply with the test methods and procedures provided in Subpart VV at § 60.485. An [ HYPERLINK ] must test each piece

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<sup>1</sup> Standards of Performance for Equipment Leaks of VOC in Synthetic Organic Chemical Manufacturing Industry for which Construction, Reconstruction, or Modification Commenced after January 5, 1981, and on or before November 7, 2006.

of [ HYPERLINK ] unless it is demonstrated that a [ HYPERLINK ] is not [ HYPERLINK ], [ HYPERLINK ], the [ HYPERLINK ] would never be reasonably expected to exceed 10 percent by weight, as required by 40 C.F.R. § 60.485(d).

Pursuant to § 60.485a(b), the owner or operator is required to use the EPA Method 21 testing procedures to determine the presence of VOC leaks from components in process units, including, but are not limited to, valves, flanges, pumps, compressors, and pressure relief devices, in accordance with the requirements in § 60.484(a) (Appendix A-7).

Appendix A-7 to Part 60 (Section 8.3.1 of EPA Method 21 (Determination of Volatile Organic Compound Leaks) specifically requires the LDAR technician to take the following steps to properly and accurately monitor components:

- a) Place the probe inlet at the surface of the component interface where leakage could occur;
- b) Move the probe along the interface periphery, while observing the instrument readout. If an increased meter reading is observed, slowly sample the interface where leakage is indicated until the maximum meter reading is obtained; and
- c) Leave the probe inlet at this maximum reading location for approximately two times the instrument “response time” which is defined in Appendix A-7, as “the time interval from a step change in VOC concentration at the input of the sampling system to the time at which 90 percent of the corresponding final value is reached as displayed on the instrument readout meter.”

***Facts Supporting Violation:***

According to Thermo-Scientific, the manufacturer of the probe instrument (TVA-1000B) used by the Facility to conduct the Method 21 monitoring, the response time for the probe is approximately 3.5 seconds. This response time is consistent with the information provided in the EPA’s “Leak Detection and Repair: A Best Practices Guide,” dated October 2007 (LDAR Guidance)<sup>2</sup> which indicates that the typical response times are around 2-4 seconds. In accordance with Section 8.3.1 of EPA Method 21, the technician is required to leave the probe inlet at the maximum reading location for approximately two times the instrument response time. On an average, it should take Williams’ technician at least seven seconds to monitor each component, if an increased meter reading is observed by the technician. However, the seven seconds timeframe does not include the additional time that is needed to locate and identify the component and to move the probe around the component to determine the maximum reading location. According to the LDAR Guidance, this extra time is critical because “if an LDAR technician moves the probe around the component interface so rapidly that the instrument does not have time to properly respond, then there is the risk that a component may never be identified as leaking.”

Based on a detailed review and evaluation of the data monitoring records in the Facility’s electronic LDAR database, the EPA determined that Williams failed to properly conduct EPA Test Method 21 procedures to monitor at least 1,641 components from October 2014 through October 2015, as demonstrated below, in violation of 40 C.F.R. §§ 60.632(d), 60.483-2 and 60.485(b):

- a) On October 14, 2015, approximately 328 components were monitored from 2:18 pm to 2:49 pm (31 minutes) by a technician using the TVA instrument. This indicates that the technician monitored an average of over 10 components per minute or one component every 5.7 seconds.

<sup>2</sup> Published by Office of Enforcement and Compliance Assurance (OECA).  
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- b) On October 13, 2015, approximately 510 components were monitored from 1:45 pm to 2:39 pm (54 minutes) by a technician using the TVA instrument. This indicates that the technician monitored an average of over nine components per minute or one component every 6.4 seconds.
- c) On April 21, 2015, approximately 399 components were monitored from 7:26 am to 8:06 am (40 minutes) by a technician using the TVA. This indicates that the technician monitored an average of over nine components per minute or one component every 6 seconds.
- d) On April 20, 2015, approximately 518 components were monitored from 3:16 pm to 3:47 pm (41 minutes) by a technician using the TVA instrument. This indicates that the technician monitored an average of over sixteen components per minute or one component every 4.7 seconds.
- e) On October 7, 2014, approximately 285 components were monitored from 3:29 pm to 3:58 pm (29 minutes) by a technician using the TVA instrument. This indicates that the technician monitored an average of over nine components per minute or one component every 6.1 seconds.
- f) On October 7, 2014, approximately 170 components were monitored from 7:56 am to 8:14 am (18 minutes) by a technician using the TVA instrument. This indicates that the technician monitored an average of over nine components per minute or one component every 6.4 seconds.

The above-referenced monitoring events demonstrate that it took the Williams Facility between 4.7 to 6.4 seconds to monitor each component, which is less than twice the response time (seven seconds) recommended by the manufacturer of the TVA and the EPA LDAR Guidance. The seven seconds does not take into account the additional time that is needed to allow the technician to first locate and identify the component to be monitored, and to properly move the probe around the component to identify the maximum reading location, in accordance with the requirements in Appendix A-7 to part 60 (Section 8.3.1 of Method 21). Williams failed to properly conduct the EPA Method 21 testing procedures to monitor at least 1,641 components, in violation of 40 C.F.R. §§ 60.632(d), 60.483-2, and 60.485(b).

**B. Claim 2. Failure to Conduct LDAR Inspections on Valves, Pumps, Closed Vent Systems, Compressor, and Pressure Relief Device in Violation of 40 C.F.R. §§ 60.482-7; 60.482-2; 60.482-10; 60.482-3 and 60.633(b).**

Based on a review and evaluation of the Williams Facility electronic LDAR database, the EPA determined that between calendar years 2013 and 2018, the Williams Facility failed to conduct inspections on at least 691 components including valves, pumps, closed vent systems, compressor (one), and pressure relief devices.

***Relevant Legal Requirements***

Each type of component is required to be monitored periodically in accordance with the following applicable regulations:

*Valves:* are the most common piece of process equipment and are used to either restrict or allow the movement of fluids. Leaks from valves are commonly caused by failure of the valve packing.

- Each valve in gas and vapor service and in light liquid service is required to be monitored monthly to detect leaks by the methods specified in § 60.485(b), pursuant to 40 C.F.R. § 60.482-7(a)(1), except that an [ HYPERLINK ] may elect to comply with one of the alternative work practices option provided in § 60.483-2<sup>3</sup> (Alternative Standards for valves - Skip Period Leak

Detection and Repair). Williams has elected to implement the skip period leak detection and repair alternative permitted, which requires the valves to be monitored semi-annually in lieu of monthly.<sup>3</sup>

*Pumps are used to move fluids from one point to another and leaks typically occur at the seal.*

- Each pump in light liquid service is required to be monitored monthly to detect leaks by the methods specified in § 60.485(b), pursuant to 40 C.F.R. § 60.482-2(a)(1).

*Closed Vent Systems are composed of piping, connections and often flow inducing devices that transport gas or vapor from pieces of equipment to a control device. Leaks can occur at the piping connectors.*

- Each closed vent system is required to be monitored annually for visible, audible, or olfactory indications of leaks pursuant to 40 C.F.R. § 60.482-10(f)(1)(ii).

*Compressors are designed to increase the pressure of a fluid and provide motive force. Leaks most often occur from the seals.*

- Each compressor designated for no detectable emissions shall be tested for compliance initially and then annually pursuant to 40 C.F.R. § 60.482-3(i)(2).

~~*Pumps are used to move fluids from one point to another and leaks typically occur at the seal.*~~

*Pressure Relief Devices are safety devices designed to protect equipment from exceeding the maximum allowable working pressure. Leaks can occur if the valve is not sealed properly, operating too close to set point, or if the seal is worn or damaged.*

- Each pressure relief device in gas/vapor service is required to be monitored quarterly and within 5 days after each pressure release to detect leaks (using methods specified in § 60.485(b)) pursuant to 40 C.F.R. § 60.633(b)(3).

#### ***Facts Supporting Violations:***

Region 4 reviewed and evaluated the information provided in the Facility's LDAR data-base and identified numerous instances of Williams' failure to conduct LDAR inspections for at least 694 components between calendar years 2013 and 2018, as summarized in Table 1 below:

**Table 1**

<b>Dates of Missed Inspections</b>	<b>Total Number of Components</b>	<b>Number of Valves (violation of §. 60.482-7(a)(1))</b>	<b>Number of Pumps (violation of §. 60.482-2)</b>	<b>Number of Closed Vent Systems (violation of §. 60.482-10)</b>	<b>Number of Compressors (in violation of § 60.482-3(i)(2))</b>	<b>Number of Pressure Relief Device (violation of §60.633(b))</b>
2013	113	109	4	0		
2014	487	469	8	7	1	2

<sup>3</sup> In letters dated March 21, 2005, and December 9, 2011, Williams notified the EPA about its decision to elect to implement Skip Period option.

2015	36	11	9	15		
2016	38	25	0	13		
2017	12	10	2	0		
2018	8	6	2	0		

Further, during the Inspection, the Facility's operation supervisor verified that it was their practice to physically tag each regulated component with a unique identification number. However, at the time of the Inspection, during the walk through of the Inlet Gathering and Separation Process Unit and Natural Gas Extraction process unit, the EPA inspectors observed that some of the regulated components were not tagged. Since Williams verified that the Facility utilized tagging to identify ID regulated components, it is highly likely that the Facility's LDAR contractor was not monitoring all the components in the Facility's LDAR program. As a result, leaking components were likely overlooked and not repaired by the Facility as required by Subparts OOOO~~s~~ and VV~~s~~. As noted in the LDAR Guidance, if a facility does not properly identify all of its regulated components, some leaks may go unidentified. Unidentified components may leak or have existing leaks that will worsen over time if the components are not properly identified, monitored and repaired.

In addition, if the Facility failed to include all the valves in the LDAR program, then it is likely that they were leaking valves that were not included in the percent of valves leaking calculation. The calculation is important because under 40 C.F.R. § 60.483-2, Williams may elect to comply with a skip LDAR program if the percent of leaking valves is less than 2.0 percent. Based on the above-referenced information provided in Table 12, and observations made during the Inspection, the EPA determined that between calendar years 2013 and 2018, the Williams Facility failed to conduct inspections on at least 6944 components including valves, pumps, closed vent systems, compressor (one), and pressure relief devices, in violation of 40 C.F.R. §§ 60.482-7; 60.482-2; 60.482-10; 60.482-3 and 60.633(b).

**D. Claim 3: Failure to Make Attempt at Repair, and and Final Repair on Leaking Valves, and Failure to include Delay of Repair information in the Semiannual Report, in Violation of 40 C.F.R. §§ 60.482-7(d)(1) and (d)(2), and 60.487(c)(2)(vii)**

***Relevant Legal Requirements***

Pursuant to 40 C.F.R. § 60.482-7~~s~~(1), each valve in gas vapor service and in light liquid service shall be monitored monthly to detect leaks using Method 21 as specified in [ HYPERLINK "https://www.law.cornell.edu/cfr/text/40/60.485" \l "b" ]. Pursuant to § 60.482-7(b), a leak is detected if an instrument reading of 10,000 parts per million (ppm) or greater is measured. The monitoring frequency can be reduced from monthly to quarterly if a leak is not detected in two successive months.

When a leak is detected, it shall be repaired as soon as practicable, but no later than fifteen (15) calendar days after the leak is detected in accordance with 40 C.F.R. § 60.482-7~~s~~(d)(1). Pursuant to 40 C.F.R. § 60.482-9(a), a delay of repair of equipment for which leaks have been detected will be allowed if repair within 15 days is technically infeasible without a process unit shutdown. Repair of this equipment shall occur before the end of the next process unit shutdown. Monitoring to verify repair must occur within 15 days after startup of the process unit.

Pursuant to 40 C.F.R. § 60.482-7(d)(2), a [ HYPERLINK ] shall be made no later than 5 calendar days after each leak is detected. First attempts at repair include, but are not limited to, the following best practices where practicable and appropriate:<sup>4</sup>

- (1) Tightening of bonnet bolts;
- (2) Replacement of bonnet bolts;
- (3) Injection of lubricant into lubricated packing; and
- (4) Tightening of packing gland nuts;

~~Difficult-to-monitor (DTM) valves are excluded from monthly/quarterly monitoring if certain criteria are met (See §§ 60.482-7, 60.482-7a, 61.242-7 or 63.769(c)).~~

~~Pursuant to 40 C.F.R. § 60.487(c)(2)(vi), the facts that explain each delay of repair and why a process unit shutdown was technically shall be included in the semiannual reports.~~

### ***Facts Supporting Violations***

Based on a review and evaluation of the Williams Facility's electronic LDAR database, the EPA determined that Williams failed to make first attempt at repair(s) within the requisite 5 days, and final repairs or delay of repairs within 15 days for the following valves, in violation of 40 C.F.R. §§ 60.482-7(d)(2) and 60.482-7(d)(1):

- a) According to the LDAR electronic database, a valve identified as component number 1799 was inspected on April 14, 2014, and the monitoring results showed a reading of 14,819 ppm, above the leak detection standard of 10,000 ppm. The "repair" table in the LDAR database documented that the packing was tightened on April 17, 2014, and the monitoring results showed a reading of 10,000 ppm. The component was later re-monitored on May 19, 2014, and the results showed a reading of 33,132 ppm, which well in excess of the LDAR leak detection standard. According to the documentation in the "repair" table, the component was replaced on June 19, 2014, and re-monitored on July 29, 2014, at which time the reading was 0 ppm. Williams had no documentation to support that the component was placed on delay of repair in accordance with 40 C.F.R. § 60.482-9(a). Williams was required to make the first attempt at repairs within 5 days after the May 19, 2014 inspection but failed to do so until one month later, in violation of 40 C.F.R. § 60.482-7(d)(2).
- b) In addition, the documentation in the Facility's LDAR electronic database demonstrates that the Facility did not make the final repair on component 1799 until June 19, 2014, 66 days after the date the leak was detected on April 14, 2014, and 51 days after the date it was required to make the final repair. Williams' failure to make a final repair on the valve within 15 days is a violation of 40 C.F.R. § 60.482-7(d)(2).

**Commented [TM1]:** I assume these components are valves in gas vapor service or in light liquid service. Is so need to state that especially since different leak measurement requirements apply for pumps, valves and connectors

**Commented [TM2]:** I am somewhat confused here. Why is this being alleged as failure to make first attempt. Based on the facts the facility made first attempt to repair within the requisite 5 days. They did not repair within 15 days (May 19- June 19). So it appears to be a "delay of repairs" violation.

<sup>4</sup> Inspection Manual: Federal Equipment Leak Regulations for the Chemical Manufacturing Industry Volume I (OECA) dated December 1998.

- c) According to the Facility's LDAR electronic database, a valve identified as component number 19602 was inspected on April 4, 2017, as documented in the "inspection" table, and the monitoring results showed a reading of 88,225 ppm, significantly in excess of the leak detection standard of 10,000 ppm. The "repair" table indicated that the Facility made the first attempt of repair on April 14, 2017, when packing was tightened, and the monitoring results showed a reading of 47,397 ppm (still significantly in excess of the leak detection standard). In the electronic database, the "DOR" table indicated that component 19602 was added to the delay of repair list on April 18, 2017. The periodic report dated July 21, 2017, covering the period from January 1, 2017 to June 30, 2017, did not include any information on the delay of repair for component 19602 located in the natural gas liquid extraction process unit. The "Inspection" table documented that the repair on the component was completed on July 24, 2017, and the results showed a reading of 22 ppm. The documentation in the Facility's LDAR electronic database demonstrates that the Facility did not make the final repair on component 19602 until 84 days after the leak was detected on April 4, 2017, and 59 days after the date it was required to make the final repair. Williams' failure to make a final repair on the valve no later than 15 days after the leak was detected is a violation of 40 C.F.R. § 60.48 ~~(c)(2)(vii), 2-7(a)(2).~~

**Claim 4: Failure to Provide Initial Notice and Notice of Start-up of Construction, Modification or Reconstruction in violation of 40 C.F.R. § § 60.5420a, 60.7(a)(3) and 60.5420a(a)(1)**

Based on Region 4's Inspection and a review of Williams' submitted Notification of Construction, Modification and Initial Startup" letter (Notification letter) dated May 23, 2018, it was determined that Williams undertook modifications at the Facility in ~~December~~ 2017, and failed to provide Initial Notice within the 60 days prior to commencing the change and Notice of the date of start-up 15 days after that date.

***Applicability of NSPS OOOOa***

On June 3, 2016, the EPA promulgated "New Source Performance Standards" for the Oil and Natural Gas Sector, 81 Fed. Reg. 35,898. These standards are codified at 40 C.F.R. Part 60, Subpart OOOOa, and among other things, apply to an "affected facility" that is the "group of all equipment within a process unit" at natural gas processing plants that commenced construction, modification, or reconstruction after September 18, 2015. NSPS OOOOa includes LDAR requirements for natural gas processing plants at 40 C.F.R. § 60.5365a. Those standards, by reference also require compliance with provisions at 40 C.F.R. Part 60, Subpart VVa.<sup>5</sup>

According to the Notification Letter, Williams acknowledged that the Facility became subject to NSPS Subpart OOOOa, on December 4, 2017, at which time they ~~started up a part of~~ commenced the "Norphlet Expansion Project" (Project) involving modifications ~~to train 2 NGL of several~~ process units (affected facilities). The Project meets the definition of the term "modification" in 40 C.F.R. § 60.14, which states "any physical or operational change to an [ HYPERLINK ] which results in an increase in the emission rate to the atmosphere of any pollutant to which a [ HYPERLINK ] applies shall be considered a [ HYPERLINK ] within the meaning of section 111 of the CAA."

**Commented [KD3]:** I believe this alleged violation should come out since company submitted a permit in Dec 2016. Only violation should be 60.7(a)(3), notice of actual start up  
\*How does table 3 impact the actual start up notification requirement in 60.7(a)(3)??

<sup>5</sup> Standards of Performance for Equipment Leaks of VOC in Synthetic Organic Manufacturing Industry for which Construction, Modification or Reconstruction Commenced After November 7, 2006.  
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## Relevant Legal Requirements

### Initial Notice of Construction, Modification or Reconstruction

Pursuant to 40 C.F.R. § 60.7(a)(4), the owner or operator of an affected facility subject to NSPS OOOOa, is required to submit notification of any physical or operational change to an [ HYPERLINK ] which may increase the emission rate of any air pollutant to which a [ HYPERLINK ] applies, unless that change is specifically exempted under an applicable subpart or in [ HYPERLINK "https://www.law.cornell.edu/cfr/text/40/60.14" \ "e" ]. The notification is required to be postmarked 60 days or as soon as practicable before [ HYPERLINK ]ing the change and must include information describing the precise nature of the change, present and proposed emission [ HYPERLINK ] systems, productive capacity of the [ HYPERLINK ] before and after the change, and the expected completion date of the change.

**Commented [KD4]:** I believe this violation should come out since the company submitted a permit application in Dec 2016 for the project.

### Notice of Start-up of Construction, Modification or Reconstruction

In accordance with 40 C.F.R. §§ 60.5420a(a)(1) and 60.7(a)(3), an owner and operator of an affected facility that is the group of all equipment within a process unit at an onshore natural gas processing plant, is required to submit a notification of the actual date of initial [ HYPERLINK ] of an [ HYPERLINK ] postmarked within 15 days after such date. 40 C.F.R. § 60.2 defines the term “startup” to mean “setting in operation of an affected facility for any purpose.”

**Commented [TM5]:** Insert regs for PRV and Compressor- having trouble finding citation!

### Facts Supporting the Violations:

The EPA was first informed about the Project involving modifications that the Williams facility had undertaken during the Inspection. Based on discussions with Williams’ representative, it became apparent that the company had misinterpreted the NSPS OOOOa regulations and believed that the Facility did not become subject to those regulations until the Project was completed. Subsequently, in an email dated May 4, 2018, the EPA submitted questions to Williams about the Project. In an email dated May 25, 2018, Williams forwarded the Notification letter dated May 23, 2018, that was submitted to ADEM acknowledging that as a result of the commencement of the Project, the Facility became subject to Subpart OOOOa.

Williams submitted a permit application dated December 15, 2016, for the installation of one slug catcher, two condensate stabilizers, three compressors, two hot oil heaters, four stabilized condensate tanks, two truck loading racks, a flare to control emissions from the loading racks, and additional piping and components associated with the equipment installation. ADEM issued a permit number 503-8056-X010 and 503-8056-X011 on March 6, 2017, for the installation of the equipment. Condition I, Applicability section of Permit 503-8056-X011 stated that the affected facilities were subject to the requirements of NSPS OOOOa. ADEM issued amendments to the permits on January 5, 2018.

As referenced above, the Notification Letter informed ADEM that Williams had commenced modifications at the Facility’s NGL Extraction; Inlet Gathering and Separation; Condensate Stabilization and Gas Dehydration process units ~~in~~ December 4, 2017. The modification involved a

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multiple phase expansion project to accommodate more natural gas condensate liquids from a new inlet stream. The Project is expected to be completed in 2020 and will increase the natural gas condensate liquids capacity from 3,200 bpd to 26,000 bpd. The Project will involve the installation of new or replacement equipment including, but are not limited to, one-barrel slug catcher, two hot oil heaters, one vapor combustion unit to control condensate, process unit piping component and four stabilized condensate storage tanks.<sup>6</sup>

Based on the information provided in the Notification Letter, Williams became subject to OOOOa on December 4, 2017, (after September 18, 2015, the effective date for NSPS OOOOa applicability) when train 2 of the NGL extraction process unit began operation. However, Williams failed to submit to the EPA initial notification of the date of the modification 60 days or as soon as practicable before the change was [ HYPERLINK ] along with information describing the precise nature of the change, present and proposed emission [ HYPERLINK ] systems, productive capacity of the [ HYPERLINK ] before and after the change, and the expected completion date of the change. Williams did not submit initial notification until five months after commencing the modifications, in violation of 40 C.F.R. §§ 60.5420a(a) and 60.7(a)(1). In addition, Williams also failed to submit to the EPA a notice of start-up of construction, modification or reconstruction 15 days after such date, in violation of 40 C.F.R. §§ 60.7(a)(3) and 60.5420a(a).

Commented [KD6]: This should be removed based in Dec 2016 permit application

**E. Claim 5: Failure to Identify Applicability of NSPS OOOOa for the NGL Extraction; Inlet Gathering & Separation, Condensate Stabilization and Gas Dehydration Process Units, Resulting in Missed Monitoring of Valves, Pumps, Closed Vent System, Pressure Relief Device, and Compressors to Ensure Proper Installation, in Violation of 40 C.F.R. §§ 60.5400a and 60.482-7a(a)(2).**

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Based on the Williams Notification Letter acknowledging that the NGL extraction; inlet gathering and separation, condensate stabilization, and gas dehydration process units underwent modifications on December 4, 2017, it was determined that Williams failed to identify NSPS OOOOa applicability for those process units, which resulted in missed monitoring of at least 2,093 components (valves, pressure relief devices, pumps and compressor) to ensure proper installation.

***Relevant Legal Requirements***

Each type of component in a process unit that became subject to NSPS OOOOa is required to be monitored for the first time after the startup period in accordance with the following applicable regulations in Subpart VVa at 40 C.F.R. § 60.5400a:

- Each valve in gas/vapor service or in light liquid service is required to be monitored for the first time within 30 days after the end of its startup period to ensure proper installation and thereafter monthly using Method 21, pursuant to 40 C.F.R. § 60.482-7a(a)(2)(i).
- Each pump that began operation in light liquid service is required to be monitored for the first time within 30 days after the end of its startup period and thereafter monthly, pursuant to 40 C.F.R. § 60.482-2a(1).

<sup>6</sup> Williams was issued an air permit on December 1~~3~~<sup>6</sup>, 201~~6~~<sup>7</sup>, for the barrel sling catcher, two condensate stabilizers, and the two hot oil heaters.

- Each closed vent system is required to be inspected initially and thereafter, annually for visible, audible, or olfactory indications of leak pursuant to 40 C.F.R. §§ 60.482-10(f)(1) and (2).
- Each pressure relief device in gas or vapor service is required to be monitored quarterly but no later than 5 calendar days after each pressure release to detect leaks pursuant to 40 C.F.R. § 60.633(b)(1) and 60.482-10(f)(ii).
- Each compressor is required to be [ HYPERLINK ] as soon as practicable, but not later than 15 calendar days after leak is detected pursuant to 40 C.F.R. § 60.482-3(g).

**Commented [TM7]:** I cannot find any applicable regulations for monitoring closed vent systems specific to after startup

**Commented [KD8R7]:** I believe that 60.8(a) would be used and it requires

**Commented [TM9]:** Same here

**Commented [KD10R9]:** We could use the general provisions 60.8(a) or just say within 90 days after Dec 4, 2017.

**Commented [TM11]:** I cannot find any applicable regulations for monitoring closed vent systems specific to after startup

**Commented [KD12R11]:** Maybe we should remove the compressor from this claim

### Facts Supporting Violation

As indicated previously, according to Williams' May 25, 2018 Notification letter, the startup date for the NGL extraction; inlet gathering and separation, condensate stabilization and gas dehydration process units was on December 4, 2017, at which time the Facility became subject to OOOOa and Williams was required to commence monitoring the components in the respective process units, including valves, pumps, pressure relief device and compressors, in accordance with the requirement in Subpart VVa. Based on the Facility's LDAR periodic report dated January 19, 2018, submitted pursuant to Subpart KKK, the respective process units had a total of 2,066 valves, 15 pumps, 1 compressor and 11 pressure relief devices as indicated in Table 2 below. All the new and existing components in the train 2 NGL extraction respective process units became subject to NSPS OOOOa on December 4, 2017, and Williams was required to commence monitoring each type of component in accordance with the respective schedules established in Subpart VVa.

**Table 2 (Missed Monitored Components: Valves, Pumps, Compressors and Pressure Relief Devices)**

Process Units	Valves	Pumps	Compressors	Pressure relief devices
NGL Extraction	841	10	0	1
Inlet Gathering and Separation	382	0	0	3
Gas Dehydration	246	0	0	7
Condensate Stabilization	597	5	1	0
Total	2066	15	1	11

Williams' failure to identify NSPS OOOOa applicability for the components in the NGL extraction, Inlet Gathering & Separation; and Gas Dehydration process units by January 4, 2018, (30 days after the beginning date of the startup period) resulted in missed monitoring of at least 2,093 components

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**Commented [TM13]:** Denis, what regs are you relying on for this 30 day period? § 60.482-7a(a)(2)(i), has a 30 day period for valves but all the other components have different established timeframes.

**Commented [KD14R13]:** The pumps and valves are 30 days per your citations above. For the closed vent system we could use the general provisions, and for the pressure relief we could use the quarterly requirement or 90 days.

including, 2,066 valves, 1 pressure relief devices, 15 pumps and 1 compressor and therefore Williams is in violation of 40 C.F.R. § § 60.5400a; 60.482-7a(a)(2) and 60.482-7a(a)(2)(i).

**Commented [KD15]:** We could use only the components in the NGL extraction process unit, since we are not sure about the rest.

**F. Claim 6. Failure to Meet the Requirements of the Title V Operating Permit in violation of 42 U.S.C. § 7661a(a); and 40 C.F.R. § 71.12 and Ala. Admin Code R. 335-3-16-.07**

Title V of the CAA, 42 U.S.C. § 7661a(a), makes it “unlawful for any person to violate any requirement of a permit issued under [the Title V permit program].” Title V of the CAA, 42 U.S.C. §§ 7661a-76612f, established a federally mandated operating permit program to be implemented by the states. The regulations also provide that any violation of an applicable requirement is a violation of the CAA and is subject to “full Federal enforcement authorities available under the Act.” 40 C.F.R. § 71.12. Sections 501 through 507 of the CAA, 42 U.S.C. §§ 7661a through 7661f, require state and local authorities to develop a major source operating permit program. Pursuant to § 504(a), operating permits (title V permits) must include all applicable emission limitations and standards of the Act for each major source. The EPA approved Alabama’s title V program became effective on December 28, 1993 (61 Fed. Reg. 18966).

Even though the EPA has approved Alabama’s title V program, the EPA retains its authority to take any enforcement action against a source for title V violations. 42 U.S.C. § 7413(c); 40 C.F.R. § 70.6(b); 40 C.F.R. § 70.10(b)(5). Alabama’s title V regulations are currently codified at Ala. Admin. Code 335-3-16. The Williams facility’s most recently issued Title V permit is dated October 5, 2017, and is the Facility’s third title V renewal (previous Title V permit was issued on September 19, 2007). William’s permit includes federally-enforceable provisions requiring compliance with 40 C.F.R. Part 60, Subpart KKK., and each violation of NSPS KKK (alleged in Section IV) also constitutes a violation of the Title V permit condition imposing that requirement. 42 U.S.C. § 7661a(a) and Ala. Admin. Code 335-3-16-.07.

**V. State Involvement and Cooperative Federalism**

Region 4 technical staff and management coordinated with the state program and invited them to participate in the field evaluation. The state representative participated in the inspection for one day on April 17, 2018. Region 4 management contacted ADEM on or about April 25, 2019, to discuss the general status of the potential enforcement action and invited the state program to join the enforcement action. On May 17, 2019, ADEM responded to the Region and confirmed that they plan to participate in the settlement. On June 10, 2019, DOJ forwarded a joint prosecutorial agreement to ADEM for review. All the participating states will be required to enter into this agreement with DOJ to ensure that settlement discussions are maintained confidential. The expected collaborative partnership between the EPA and ADEM is consistent with the memorandum entitled “Interim OECA Guidance on Enhancing Regional-State Planning and Communication on Compliance Assurance Work in Authorized States” from Susan Bodine (Assistant Administrator) dated January 22, 2018. Since there appears to be widespread LDAR noncompliance issues at Williams’ facilities nationwide, and because some of the evidence used in this case was obtained using specialized equipment that is not utilized by ADEM, Region 4 believes it is appropriate for the EPA to maintain the lead in this enforcement action. Further, EPA HQ commenced this Initiative (Ensuring Energy Extraction Activities Comply with Environmental Laws) a few years ago, and this would ensure consistency and a level playing field within energy extraction industry.

**Commented [TM16]:** Denis Please fill in the date.

## **VI. Environmental Justice (EJ)**

Region 4 has conducted a demographic analysis using EJScreen, a tool which generates data to provide an overview of places where EJ may warrant greater consideration. The result of the EJScreen analysis indicates that the Williams Facility in Coden, Alabama is not located in an environmental justice area. The EJSCREEN analysis indicates that the Facility has no EJ Indexes over the 80<sup>th</sup> percentile nationally within the one-mile buffer area. Based on the enforcement team's coordination with Region 4's EJ office, no community has self-identified as an environmental justice area; the Facility is not located in a tribal area, and there are no tips or complaints concerning the Facility.

## **VII. Global Settlement Negotiations**

Representatives from the DOJ, the Office of Enforcement and Compliance Assurance (OECA), Region 3, Region 4, Region 5, ~~Region 6~~, Region 7 and Region 8 have engaged in settlement discussions with Williams. The first global settlement meeting was held on October 23, 2018, in Denver, Colorado, at which time, the EPA and DOJ offered Williams an opportunity to engage in a global settlement and provided Williams with an outline of the terms of the proposed relief for settlement. In December 2018, Williams verbally agreed to enter into a global settlement approach for the facilities. In a response dated March 4, 2019, Williams proposed to include into the global settlement thirteen gas processing facilities that are either one hundred percent owned by Williams or jointly or partially owned by Williams. ~~On March 28, 2019, Williams signed a second global tolling Agreement to extend the statute of limitations for all the facilities through August 1, 2019.~~ On May 28, 2019, ~~the~~ EPA and DOJ held a second meeting with Williams to commence negotiating the terms of the injunctive relief. through August 1, 2019.

## **VIII. Contact Information**

The EPA Region 4 staff members assigned to this matter are: Marlene Tucker, Associate Regional Counsel, Air & EPCRA Law Office, at (404) 562-9536 and Denis Kler at (404) 562-9199 of the Air Enforcement Section 1.

Sincerely,

Mary S. Walker  
Regional Administrator

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